



Minutes

www.car.org

January 23 – 26, 2008

Executive Office:
525 South Virgil Ave.
Los Angeles, CA 90020
213.739.8200

Legislative Office:
980 Ninth St., Ste. 1430
Sacramento, CA 95814
916.444.2045

CALIFORNIA ASSOCIATION OF REALTORS® EXECUTIVE COMMITTEE
Hyatt Grand Champions Resort
Indian Wells, California

The meeting was called to order by President William E. Brown at 1:00 p.m. on **CALL TO ORDER**
January 23, 2008.

Members Present: President William E. Brown, President-Elect James Liptak, **ATTENDANCE**
Treasurer Beth L. Pearce, Colleen Badagliacco, Jeff Barnett, Dona Crowder,
Barbara Delgleize, Raymond Karpe, James Link, Ted Loring, Geoff McIntosh,
Frank Oti, Edwin Resuello, Heidi Rickerd-Rizzo, Tracey Saizan, Joel Singer
(Ex-Officio), Michael Tessaro

Also Present: 2008 Regional Chairs, 2008 Committee Liaisons

Parliamentarian: Tim Hegstrom

Staff Present: Edie Anderson, Rick Shumacher

It was Moved, Seconded and CARRIED to approve the minutes of the October **APPROVAL OF**
10 - 13, 2007 meeting in Anaheim, California. **MINUTES**

President Brown reported on the 2008 Presidential Appointments of the **REPORT OF THE**
Executive Committee, Directors at Large, and Trustee Groups, to be presented **PRESIDENT**
for approval by the Board of Directors.

2008 Executive Committee

1. William E. Brown, Bay East, President
2. James Liptak, Paso Robles, President-Elect
3. Beth L. Pearce, Southland Regional, Treasurer
4. Joel Singer, Los Angeles, Executive Vice President (Ex-Officio)
5. Colleen Badagliacco, Santa Clara County
6. Jeff Barnett, Silicon Valley
7. Dona Crowder, San Francisco
8. Barbara Delgleize, Orange County
9. Raymond Karpe, Bakersfield
10. Jim Link, Southland Regional, AE
11. Ted Loring, Humboldt County
12. Geoff McIntosh, Pacific West
13. Frank Oti, Inglewood
14. Edwin Resuello, Santa Clara County, RC
15. Heidi Rickerd-Rizzo, Marin County
16. Tracy Saizan, Sacramento
17. Michael Tessaro, Bay East

2008 Directors at Large

1. Ann Bracci, Alameda
2. Cynthia Carley, Rim 'O The World
3. Candice Carpenter, South Bay
4. Chris Crocker, Palos Verdes Peninsula
5. Jackie Crowley, Palos Verdes Peninsula
6. Leslie Dopp, West Contra Costa
7. Carol Facciponti, Citrus Valley
8. Les Fishman, Palos Verdes Peninsula
9. Bradley Garbutt, Shasta County
10. Melanie Hildebrand, San Mateo County
11. Chuck Hill, Paso Robles
12. James Irving, Paso Robles
13. Beverly James, San Luis Obispo
14. Tangie Leverett, Delta
15. Naeem Malik, Bay East
16. Roy Navarro, San Benito
17. Kathleen Oliver-Schultz, Watsonville
18. Lenny Sciacca, Tulare County
19. Theresa Wilson-Allen, Yosemite Gateway
20. John Wong, West San Gabriel Valley

C.A.R. Scholarship Foundation/C.A.R. Education Foundation (2008-2012)

Kurt Kenzie, North San Diego

Beverly James, San Luis Obispo, 1 Year Term 2008, replaced a vacancy

Legal Action Fund Trustees (2008-2012)

Olga Moretti, Southland Regional

Wes Seastrom, Pasadena Foothills

A special Executive Committee meeting has been scheduled for September 5, 2008 to review the 2009 – 2011 strategic plan and budget prior to the October meeting of the Board of Directors.

President Brown made note of the assignments each Executive Committee member has with respect to serving as a Liaison to the C.A.R. Regions.

President Brown reported on several of the significant issues expected to be discussed in committees during the week, including the report of the MLS Working Group and the initial recommendations expected to come from the Mortgage Broker Licensing Task Force. He also commented on the seating arrangements which would be utilized at key committees, including Legislative and MLS/Computer and Business Technology, to ensure that committee members can be seated up front and to facilitate their participation in the sessions, and he addressed the important obligation each Director has to avoid real or perceived conflicts of interest as representatives of the state association.

President Brown announced that a Homebuyers' Fair will be held on April 12 and 13 in Los Angeles, and that a series of REALTOR® SWAT (Special

Weapons and Tactics for Surviving a Down Market) will be hosted by C.A.R. in various locations throughout the state.

It was Moved, Seconded and CARRIED that the proposed Bylaws amendments be approved as follows (additions shown using underlining and deletions shown using ~~strikeouts~~):

ARTICLE VI – OFFICERS

Section 3. **President.**

3.1 The President shall have served as President of a Member Board and shall have been a Member of the Board of Directors for at least ~~two~~ five full year terms, with a good attendance record, prior to the commencement of the term to which elected.

Section 4. **President-elect.**

4.1 The President-elect shall have served as President of a Member Board and shall have been a Member of the Board of Directors for at least ~~two~~ five full year terms, with a good attendance record, prior to the commencement of the term to which elected.

Section 6. **Treasurer.**

6.1 The Treasurer shall ~~have been a REALTOR® or REALTOR-ASSOCIATE® Member of the Association for at least three full years, and shall have been a~~ Member of the Board of Directors for at least ~~two~~ five full year terms, with a good attendance record, prior to the commencement of the term to which elected.

Action of Directors: Approved

It was Moved, Seconded and CARRIED to approve a special resolution recognizing Colleen Badagliacco's outstanding year as President of the California Association of REALTORS® in 2007. (See Attachment B)

Resolution of
Appreciation
Colleen Badagliacco

Action of Directors: Approved

It was Moved, Seconded and CARRIED to approve a special resolution of grateful appreciation in honor of the selection of Sharon Bowler as the recipient of the California Distinguished REALTOR® Award for the year 2007. (See Attachment C)

Sharon Bowler,
California Distinguished
REALTOR® Award

Action of Directors: Approved

President-Elect James Liptak spoke about the timing of the committee selection process for 2009, and reported that the Regional Chairs spoke at length about the state of local and regional real estate markets.

**REPORT OF THE
PRESIDENT-ELECT**

Treasurer Beth L. Peerce, Chair of the Strategic Planning and Finance

REPORT OF THE

Committee, reported on the state of the Association's finances and the anticipated decline in membership. She also urged attendance at the SPF Forum sessions for local Association leaders and local Association Executives.

TREASURER

Strategic Planning and Finance

It was Moved by Beth L. Pearce, Treasurer and Chair of the Strategic Planning and Finance Committee, Seconded and CARRIED, to approve an augmentation of up to \$50,000 for research on enhancements to the California Living Network (CLN) and also explore the possibility of hyper-linking/partnering with the forthcoming NAR consumer website.

Action of Directors: Approved

See consent agenda, Attachment A, for additional Strategic Planning and Finance action items approved by the Directors.

Executive Vice President and State Secretary Joel Singer reported on the progress of the Association's subsidiaries.

REPORT OF THE EXECUTIVE VICE PRESIDENT/STATE SECRETARY

It was Moved, Seconded and CARRIED to approve the Consent Agenda as presented.

CONSENT AGENDA

See Consent Agenda Action Items – Attachment A

SPECIAL REPORTS

Greg Galli, Chair of the Foreclosure/Troubled Mortgage Task Force, presented a final report with the group's conclusions and recommendations.

Foreclosure/Troubled Mortgage Task Force
Greg Galli, Chair

It was Moved, Seconded and CARRIED, to accept the report of the Foreclosure/Troubled Mortgage Task Force.

Action of Directors: Approved

(See Attachment D for Task Force Final Report.)

It was Moved and Seconded:

MLS Working Group
Gary Thomas, Chair

1. That the recommendations of the four work groups (AE, Data Standards, Rules and Governance) be adopted and recommended to the H-MLS entity except that:
 - a. further discussion be obtained from the directors with respect to item (1.x.(1)) relating to including sold data in IDX feeds.
 - b. That the three largest broker directors be changed to three from the largest ten brokers.
2. That the H-MLS entity be formed per the outline from the MLS Governance Work Group.
3. That the H-MLS entity be funded with the balance of the \$500,000 previously authorized (estimated to be about \$475,000).

4. That the initial directors be chosen as follows:
 - a. There will be an open nominating process whereby any participating entity may submit names. Self nomination is also allowed.
 - b. Obviously no AORs or MLSs have opted to be part of this at the outset. AOR or regional MLS must complete a form similar to the one distributed in October stating an intent to participate. A person vying for a slot would have to be from one of the AORs or MLSs making such a declaration.
 - c. The deadline for nominations would be March 1, 2008.
 - d. An H-MLS Nominating Committee will be selected by the C.A.R. Officers to vet the nominees.
 - e. The initial board will be selected and appointed by the C.A.R. Officers and reported to the full C.A.R. Board of Directors in June.

Note: The H-MLS entity will be separate from and not owned nor controlled by C.A.R. and therefore, collaboration between the two entities may be restricted to comply with the antitrust laws.

An amendment was Moved by Dona Crowder, Seconded and CARRIED, to substitute the following language for part 2 of the main motion, and to eliminate the note at the conclusion of the main motion:

2. That the H-MLS entity be formed per the outline from the MLS Governance Work Group except that ownership and control shall be vested with C.A.R. The control functions outlined in section 4 (dual membership vote) shall be exercised by the Presidents of participating AORs and Regional MLSs, as long as they are CAR directors. The Presidents shall cast both entity and weighted votes on behalf of their associations. C.A.R would retain ultimate control as required by the corporate code.

A vote on the main motion as amended CARRIED:

1. That the recommendations of the four work groups (AE, Data Standards, Rules and Governance) be adopted and recommended to the H-MLS entity except that:
 - a. further discussion be obtained from the directors with respect to item (1.x.(1)) relating to including sold data in IDX feeds.
 - b. That the three largest broker directors be changed to three from the largest ten brokers.
2. That the H-MLS entity be formed per the outline from the MLS Governance Work Group except that ownership and control shall be vested with C.A.R. The control functions outlined in section 4 (dual membership vote) shall be exercised by the Presidents of participating AORs and Regional MLSs, as long as they are CAR directors. The Presidents shall cast both entity and weighted votes on behalf of their associations. C.A.R would retain ultimate control as required by the corporate code.
3. That the H-MLS entity be funded with the balance of the \$500,000 previously authorized (estimated to be about \$475,000).
4. That the initial directors be chosen as follows:

- a. There will be an open nominating process whereby any participating entity may submit names. Self nomination is also allowed.
- b. Obviously no AORs or MLSs have opted to be part of this at the outset. AOR or regional MLS must complete a form similar to the one distributed in October stating an intent to participate. A person vying for a slot would have to be from one of the AORs or MLSs making such a declaration.
- c. The deadline for nominations would be March 1, 2008.
- d. An H-MLS Nominating Committee will be selected by the C.A.R. Officers to vet the nominees.
- e. The initial board will be selected and appointed by the C.A.R. Officers and reported to the full C.A.R. Board of Directors in June.

Heide Wolf Reid, Chair of the Mortgage Broker Licensing Task Force, presented five preliminary recommendations.

Mortgage Broker
Licensing Task Force
Heide Wolf-Reid, Chair

1. That C.A.R. "SPONSOR" legislation in 2009 to create a new mortgage loan broker/agent license program administered within DRE that is modeled after the real estate broker/salesperson license. The new license would be:
 - The exclusive authority to engage in mortgage loan origination, brokerage or servicing activity within the jurisdiction of DRE.
 - Mortgage "Broker" to require an exam, 2 year's experience, and relevant coursework (e.g. Principals, R.E. Practices, Appraisal, Advanced R.E. Finance, Accounting or Economics, Mortgage Loan Brokering and an elective).
 - Examinations similar to real estate broker exams, with comparable examination fees.
 - Background check requirements.
 - Annual CPA approved regulatory compliance reports submitted to DRE.
 - A client recovery fund funded by license fees.
 - Mortgage Loan "Agent" license able to work under a loan broker, after passage of exam and with two prerequisite courses (R.E. Finance and Mortgage Loan Brokering).
 - 4-year license term.

Note: This recommendation rejects the transfer of mortgage broker regulation to a regulator other than DRE.

Note: This recommendation rejects the DRE proposal for a bond or other financial responsibility in favor of a recovery fund.

It was the consensus of the Executive Committee that Item 1 be referred back to the Task Force for further study.

2. That C.A.R. staff seek from DRE cost estimates for the start-up costs of the separate license program called for in recommendation 1, including:
 - Advances from DRE reserves;
 - Surcharges on existing licensees: and,
 - Existing resources.

It was the consensus of the Executive Committee that Item 2 be referred back to the Task Force for further study.

3. That C.A.R. collaborate with lender groups and regulators in crafting the pre-

license education and/or experience requirements for the new mortgage license. After the new license program is operational, the new license requirements are to apply to a licensee upon renewal of an existing license or to applicants for an original license.

It was the consensus of the Executive Committee that Item 3 be referred back to the Task Force for further study.

4. That C.A.R. support the approval of substantially equivalent education and experience for satisfying pre-license qualification requirements.

It was the consensus of the Executive Committee that Item 1 be referred back to the Task Force for further study.

5. That C.A.R. not oppose less comprehensive specialty enforcement and regulation targeting mortgage abuses.

It was Moved, Seconded and CARRIED that C.A.R. not oppose less comprehensive specialty enforcement and regulation targeting mortgage abuses.

Action of Directors: This recommendation (Item 5) was Defeated

COMMITTEE REPORTS

It was reported for information only that CREPAC contributed \$254,000 to bi-partisan candidates for the Assembly and Senate, as well as to the Democratic and Republican Parties. It was further reported for information only that the CREPAC Trustees recommended to the REALTORS® Political Action Committee (RPAC) Trustees of N.A.R. that they fund \$59,000 for 14 federal candidates, and that the CREPAC Trustees transferred the 2008 Fair Share contribution of \$900,000 to the National RPAC.

CREPAC Trustees
Marian Norris, Chair

It was Moved, Seconded and CARRIED, that C.A.R. believes that before NAR promulgates a policy on immigration, or decides if they wish to have a policy on immigration, the materials should be presented and voted on by the appropriate NAR committees and the Board of Directors.

Federal Issues
J. Michael Roberts,
Chair

Action of Directors: Approved

It was reported for information only that the Housing Opportunity Committee, following extensive discussion of the "Affordable Housing Definition IBP" during its January 23 meeting, decided to exercise the option of creating a 2008 Working Group to further evaluate the issue of establishing a C.A.R. definition of "Affordable Housing". This Working Group will consist of up to 11 Members of the Housing Opportunity Committee as well as 2-3 Invited Guests from each of the following:

- Legislative Committee
- Taxation Committee
- Housing Affordability Fund

Housing Opportunity
LeFrancis Arnold,
Chair

Additionally, other Guests may be invited, as determined by the HOC Leadership, in order to take advantage of all potential affirmative contributors to this discussion. The mission of the Working Group will be to fully “vet” the concept of “affordable housing” in the REALTOR® environment and encompass in the discussions and final report how “home ownership”, the ultimate focus of all REALTORS®, fits within, or is, in fact, the over-arching factor that must be the guiding principle for C.A.R.’s affordable housing discussions, positions, and policies.

It was reported for information only that IMPAC authorized the following contributions:

--\$20,000 to the Civil Justice Association of California for annual membership dues

--\$17,500 to the Pacific Legal Foundation’s litigation program in defense of private property rights

IMPAC Trustees

Heather Brown, Chair

IMPAC Contributions

It was Moved, Seconded and CARRIED that C.A.R. take a “FOR” position on the Jarvis Initiative – California Property Owners and Farmland Protection Act: Government Acquisition, Regulation of Private Property.

Land Use and Environmental

Liz Fitzgerald, Chair

Action of Directors: Approved

It was Moved, Seconded and CARRIED that C.A.R. take an “AGAINST” position on the League of California Cities Initiative Homeowners and Private Property Protection Act; Acquisition of Owner Occupied Residence.

Action of Directors: Approved

It was reported for information only that the trustees approved the following cases for amicus briefs since the last meeting:

Legal Action Fund Trustees

Kathy Mehringer, Chair

Page Mill Properties v. Luzon. The trustees approved an amicus brief on the issue of whether a real estate broker, after termination of the agency relationship, may compete with a former principal for the acquisition of real estate identified by the former principal during the agency. The case included the issue of whether a real estate broker has a continuing fiduciary duty to a principal after termination of an agency relationship. Further, the case explored the issue of whether a real estate investor’s acquisition plan for some or many properties is a trade secret and therefore precluded the firm from representing any buyers in the area. The case was settled before it reached conclusion.

Brand v. George Chung Realty. This case involved the issue of whether, in the absence of actual knowledge of how a specific property was affected by a disclosed general condition (freeway expansion), a listing broker had a duty to a buyer to make an inquiry of a government agency responsible for carrying out the general condition and determining the specifics of the potential expansion.

Malone v. Re/Max Gold Real Estate. The trustees approved a brief on the issue of whether a broker representing a buyer has a duty to the spouse and

children of the broker's buyer client in addition to the duty the broker has to the client represented in the transaction.

Updates on cases in which C.A.R. participated as amicus:

Schaffter v. Creative Capital Leasing Group. This case involves the rights of a broker to commissions under a buyer broker agreement after a seller and buyer cancel their agreements once the buyer failed to close escrow. After a series of delays due to changes in counsel, the defendant buyer has filed bankruptcy so the matter will be handled by the bankruptcy court.

Schweitzer v. Westminster Investments, et.al. A court of Appeal issued a very favorable decision in December that found the bond requirement of the Home Equity Sales Contract Act unconstitutional. We have just gotten word that the party has given notice of a petition to the California Supreme Court. We should know within 60 days whether or not the California Supreme Court will accept a hearing and if it does, then the matter will be pending until the Court rules.

It was Moved, Seconded and CARRIED that C.A.R. "OPPOSE" SB 926, Perata, which imposes new restrictions on the foreclosure process.

Legislative
Bill Jansen, Chair

Action of Directors: Approved

It was Moved, Seconded and CARRIED that C.A.R. take a "NOT REAL ESTATE RELATED" position on Proposition 94, which would ratify an Indian gaming compact.

Action of Directors: Approved

It was Moved, Seconded and CARRIED that C.A.R. take a "NOT REAL ESTATE RELATED" position on Proposition 95, which would ratify an Indian gaming compact.

Action of Directors: Approved

It was Moved, Seconded and CARRIED that C.A.R. take a "NOT REAL ESTATE RELATED" position on Proposition 96, which would ratify an Indian gaming compact.

Action of Directors: Approved

It was Moved, Seconded and CARRIED that C.A.R. take a "NOT REAL ESTATE RELATED" position on Proposition 97, which would ratify an Indian gaming compact.

Action of Directors: Approved

It was Moved, Seconded and CARRIED that C.A.R. "SUPPORT" legislation conforming California law to federal law which for three years treats the forgiveness of indebtedness as non-income for tax purposes.

Action of Directors: Approved

It was reported for information only that the Manufactured Housing Committee reviewed the following ballot initiatives and concurred with the positions recommended by the Land Use and Environmental Committee.

Manufactured Housing
David Hale, Chair

That C.A.R. take a "FOR" position on the Jarvis Initiative – California Property Owners and Farmland Protection Act: Government Acquisition, Regulation of Private Property.

That C.A.R. take an "AGAINST" position on the League of California Cities Initiative Homeowners and Private Property Protection Act; Acquisition of Owner Occupied Residence

See Consent Agenda (Attachment A) for an action item from the Membership Committee.

Membership
Cheryl McFall, Chair

It was Moved, Seconded and CARRIED that, subject to NAR approval, C.A.R. Model MLS Rule 10.1 be amended as set forth in underline and strikeout below:

MLS/Computer and Business Technology Committee
John Hickey, Chair

10.1 Reporting of Sales. Listings with accepted offers shall be reported to the MLS or input into the MLS database as "pending" within 24 hours of the acceptance by the listing broker unless the negotiations were carried on under Section 9.1 (a) or (b), in which case, the cooperating broker shall notify the listing broker of the "pending" status within XX hours after acceptance, whereby the listing broker shall then report or input the status change to the MLS within XX hours of receiving notice from the cooperating broker. ~~report to the MLS or input the listing in the MLS as "pending" and send a copy of the listing's changed status to the listing broker within 24 hours after acceptance.~~ The listing shall be published on the MLS as pending with no price or terms prior to the final closing. Upon final closing, the listing broker shall report or input the listing in the MLS as "sold" and report the selling price within 24 hours of the final closing date unless the negotiations were carried on under Section 9.1 (a) or (b), in which case, the cooperating broker shall notify the listing broker of the "sold" status and selling price within XX hours after the final closing date, whereby the listing broker shall then report or input the status change and selling price to the MLS within XX hours of receiving notice from the cooperating broker. Listings which were not input into the MLS as a result of the seller's instructions may be input into the MLS "sold" data at the listing broker's option.

Action of Directors: Approved

It was Moved, Seconded and CARRIED that, subject to NAR approval, C.A.R. Model MLS Rules 10.2, 12.10, 12.19 and 12.20 be added or amended as set forth in underline and strikeout below:

10.2 Removal of Listings for Refusal/Failure to Timely Report Status Changes. The MLS is authorized to remove any listing from the MLS

compilation of current listings where the participant or subscriber has refused or failed to timely report status changes. Prior to the removal of any listing from the MLS, the participant and/or subscriber shall be advised of the intended removal so the participant and/or subscriber can advise his or her client(s).

[Note: If passed, the current 10.2 and 10.3 will be re-numbered to 10.3 and 10.4 to make room for the above new rule within Section 10 on "Reporting Sales and Other Information to the Service."]

...

12.10 False or Misleading Advertising and Representations; True Picture Standard of Conduct. Participants and subscribers may not engage in false or misleading advertising, including, but not limited to, advertisements or representations regarding the participant's or subscriber's relationship to the service, about the service itself, or about any property listed with the service. MLS participants and subscribers shall present a true picture in their advertising and representations to the public, including the URLs and domain names they use, and participants and subscribers may not:

(a) engage in deceptive or unauthorized framing of real estate brokerage websites;

(b) manipulate (e.g., presenting content developed by others) listing content in any way that produces a deceptive or misleading result; or

(c) deceptively use metatags, keywords or other devices/methods to direct, drive, or divert Internet traffic, or to otherwise mislead consumers.

...

12.19 Website Name and Status Disclosure. MLS participants' firm websites shall disclose the firm's name and state(s) of licensure in a reasonable and readily apparent manner. Websites of subscribers affiliated with a participant's firm shall disclose the firm's name and the subscriber's state(s) of licensure in a reasonable and readily apparent manner.

12.20 Use of the Terms MLS and Multiple Listing Service. No MLS participant or subscriber shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest, or imply that the individual or firm is an MLS, or that they operate an MLS. Participants and subscribers shall not represent, suggest, or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS databases available only to participants and subscribers. This does not prohibit participants and subscribers from representing that any information they are authorized under MLS rules to provide to clients or customers is available on their websites or otherwise.

Action of Directors: Approved

It was reported for information only that the Property Management Committee reviewed the following ballot initiatives and concurred with the positions recommended by the Land Use and Environmental Committee.

Property Management
Kevin Brown, Chair

That C.A.R. take a "FOR" position on the Jarvis Initiative – California Property Owners and Farmland Protection Act: Government Acquisition, Regulation of Private Property.

That C.A.R. take an "AGAINST" position on the League of California Cities Initiative Homeowners and Private Property Protection Act; Acquisition of Owner Occupied Residence

It was Moved, Seconded and CARRIED, that C.A.R., in conjunction with NAR, modify its existing policy on risk-based pricing for the FHA mortgage insurance programs so it:

Real Estate Finance
Patricia Bouie Hinds,
Chair

- Does not disadvantage the market FHA was designed to serve,
- Does not rely solely on FICO scores but considers compensating factors; including, but not limited to rental, cellular phone, utility, insurance premiums and medical payment history,
- Does not mandate a specific down payment for purchase borrowers, but instead adjust pricing based on down payment and loan-to-value ratio, and
- Does not use risk based pricing models to qualify borrowers.

Action of Directors: Approved

It was Moved, Seconded and CARRIED, that C.A.R., in conjunction with NAR, support the development and preservation of affordable housing through the creation of a National Affordable Housing Trust Fund that does not take money away from other federal, state and local housing programs; and oppose any Trust Fund whose sources of funding negatively impact housing prices, transaction fees or loan costs.

Action of Directors: Approved

It was Moved, Seconded and CARRIED, that C.A.R., in conjunction with NAR, accept the end of federal subsidies for non-primary residences that were built pre-Flood Insurance Rate Maps (FIRM) and are required to have flood insurance; but, the program must provide comprehensive coverage for second homes, vacation homes and rental properties.

Action of Directors: Approved

It was Moved, Seconded and CARRIED, that C.A.R., in conjunction with NAR, support allowing the National Flood Insurance program to offer coverage for wind.

Action of Directors: Approved

It was Moved, Seconded and CARRIED, that C.A.R., in conjunction with NAR, increase the REALTORS® presence on Capitol Hill while congress is debating the issue of subprime and mortgage reform. This would include utilizing NAR's

and C.A.R.'s existing policy to advocate for or against individual provisions within subprime and mortgage reform bills.

Action of Directors: Approved

It was reported for information only that the Standard Forms Advisory Committee received reports from 12 Regional Representatives. The reports included recommendations regarding creating a septic, well and boundary line addendum and making modifications to the protection clause within the listing agreement. The Committee directed staff to create a draft addressing septic, well and boundary issues and the Committee will discuss the listing agreement recommendation on an upcoming conference call. The Committee also received input from the Common Interest Development Committee Chair and Vice-Chair to consider changes to the Home Owner Association Information Request (HOA) form. The Committee will await a formal recommendation from the Common Interest Development Committee and discuss the proposal in an upcoming conference call. The Committee approved revisions to the Cancellation of Listing (COL) and the Purchase Agreement Addendum (PAA) forms. The Committee also approved the creation of a new form titled "Trust Advisory" (TA) with some modification. The Committee tasked staff to explore the feasibility of creating a standardized REO purchase agreement in collaboration with representatives from the lending community and report back. Additionally, the Committee instructed staff to create an REO advisory form. The Commercial Forms study group is scheduled to have their first meeting on February 8th. The Standard Forms Advisory Committee/WINForms joint study group will coordinate a date for their first meeting. The Standard Forms Advisory Committee recommended to Leadership that a RPA Study Group be established. Finally, the Committee reviewed 4 of the 60 comments received and will review the balance of the comments within an upcoming conference call.

Standard Forms Advisory

Anita Thede, Chair

It was Moved by Dona Crowder and Seconded that a RPA Study Group be established.

Following further discussion regarding the procedures for establishing a Standard Forms Study Group, the motion was withdrawn.

It was Moved, Seconded and CARRIED, that the President form a Task Force to explore alternatives using mechanisms such as Mello-Roos to deal with the problems associated with private transfer taxes.

TAXATION

Skip Zeleny, Chair

Action of Directors: Approved

There being no further business, the meeting was adjourned at 7:50 a.m. on January 26, 2008.

ADJOURNMENT

ATTACHMENT A – CONSENT AGENDA

1. That the following applicants be granted C.A.R. Honorary Member-for-Life status:

CONSENT AGENDA

Arcadia AOR
Richard St. Julien

Membership

Bakersfield AOR
Melvin Khachigian
Helen Patterson

California Desert AOR
Nancy Moller

Citrus Valley AOR
Patricia Bumstead
Joan O'Rourke

Conejo Valley AOR
Edna Murphy
Helen Taft

Contra Costa AOR
Sue Smeaton

East Valley AOR
Betty Karst

Hetch Hetchy AOR
David Lint

Inland Valleys AOR
Helen Galvan

Laguna BOR
Chris Alexander

Malibu AOR
Anthony Giordano
Dotty Jean Giordano
Frederic Niles

Monterey AOR
Carrol Patterson
Carla Belgrano-Ramsey

Nevada AOR
Bob Nix

Newport Beach AOR
Joann Akerman
Richard Browne

North San Diego AOR
Robert Hansford

Orange County AOR
Eileen Frances Pawlowski

Pacific West AOR
Elaine Euscher
Jean Melcosky
Steve Melcosky
Adolph Palma

Palm Springs AOR
Lois Carter
Joyce Chapman
Louis Perlin
Marilyn Perlin

Paradise AOR
Bob Bell

Pasadena-Foothills AOR
Barbara Ann Lopez
Georgene Neely
Elizabeth Squire

Sacramento AOR
Juanita Becker
Alice Benton
Patricia Choate
Jack Cleek
Shirley Curtis
Barbara Frago
Perry Georgallis
Ronald Kramnic
Melvin Lang
Connie Leverton-Harvey
Bert MacBride
William MacLaughlin
Nellie Margarite
Donald Mattos
Clara Olsen
Lew Ritz
Pam Robertson
Bernice Rodness
Helen Sims

Ray Stone
Margaret Van Andel
Johnnie Wilhite
Roche Zefo
Geoff Zimmerman

San Luis Obispo AOR
Peggy Payne

San Mateo County AOR
George Tell

Santa Clara County AOR
Manuel Perry

Santa Maria AOR
Eloise Ruiz

Shasta AOR
Ellen Riley

Silicon AOR
John Bartlett
Rita Boren
Terry Keating
Willis Ritter
Gregory Vistica
Earl Williams

Southland Regional AOR
Ruth Brennan
Rebecca Guthrie
Joanne Kellogg
Elaine Schram

Southwest Riverside County AOR
A.E. Berkheimer

Tri-Counties AOR
Paul Lim

Tulare County AOR
Janet Carr

Ventura County Coastal AOR
Anne Geib
Manuel Hernandez
Jim Higgins
Christine Johnson
Rudy Dallenbach
Lois Mitchell

West San Gabriel Valley AOR
Lorene Hjertstedt

2. That the Statement of Income and Expenses by program for the eleven months ending November 30, 2007 be approved.

Total C.A.R.
Revenue of \$32,968,700
Expenses of \$ 24,291,200
An excess of income over expenses of \$8,677,500

Political Activities Fund
An excess of income over expenses of \$1,486,400

Issues Action Fund
An excess of income over expenses of \$1,219,100

The C.A.R. Balance Sheet as of November 30, 2007
Total assets of \$54,701,100 (of which \$37,257,600 are current assets)
Total liabilities of \$4,173,100 (of which \$4,011,900 are current liabilities)
C.A.R. Fund Balance of \$50,528,000

3. That the Projected Statement of Income and Expenses by program for the year ending December 31, 2007 be approved.

Total C.A.R.
Revenue of \$33,448,200
Expenses of \$27,743,400
An excess of income over expenses of \$5,704,800

Political Activities Fund
An excess of income over expenses of \$1,367,600

Issues Action Fund
An excess of income over expenses of \$1,140,400. This amount will be allocated to IMPAC as approved by the Directors.

CONSENT AGENDA

**Strategic Planning
and Finance**

CONSENT AGENDA

**Strategic Planning
and Finance**

ATTACHMENT B

**CALIFORNIA ASSOCIATION OF REALTORS®
A RESOLUTION OF GRATEFUL APPRECIATION
TO COLLEEN BADAGLIACCO
January 25, 2008**

- BE IT KNOWN:** The Board of Directors of the CALIFORNIA ASSOCIATION OF REALTORS® does hereby adopt this Resolution as a means of recording for posterity its appreciation for your outstanding leadership as the 100th President of this great Association.
- WHEREAS,** Colleen Badagliacco has established a lengthy and exceptional record of personal commitment and volunteer service to the real estate industry at the local, state and national levels; and
- WHEREAS,** Your leadership was a guiding force for the implementation of programs, services and educational opportunities that benefit members as they conduct their daily business; and
- WHEREAS,** Under your direction, the Association made important strides to reach out to a broad diversity of members and prospective members; and
- WHEREAS,** During your term, the Association was well represented in its efforts to implement sound public policy at both the state and national levels; and
- WHEREAS,** By virtue of your friendship, loyalty, dedication and commitment to the real estate community and the public, you leave this Association a legacy of leadership and progress that will endure; therefore, be it
- RESOLVED,** That your fellow officers, directors and members of the CALIFORNIA ASSOCIATION OF REALTORS® do hereby convey to you, Colleen Badagliacco, our gratitude for your outstanding leadership, and look forward to your continued contributions in the future.

ATTACHMENT C

**CALIFORNIA ASSOCIATION OF REALTORS®
A RESOLUTION OF GRATEFUL APPRECIATION
TO SHARON BOWLER
January 25, 2008**

RECIPIENT OF THE 2007 CALIFORNIA DISTINGUISHED REALTOR® AWARD

- BE IT KNOWN:** The Board of Directors of the California Association of REALTORS® does hereby adopt this resolution as a means of recording for posterity its appreciation for your outstanding contributions to organized real estate which led to your selection as recipient of the 2007 California Distinguished REALTOR® Award -- the highest honor the Association can bestow upon any member; and
- WHEREAS,** You have established a continued exceptional record of personal commitment and service to the cause of REALTORS® as an active member of the Citrus Valley Association of REALTORS®, the California Association of REALTORS®, and the National Association of REALTORS®; and
- WHEREAS,** You have met or exceeded all of the criteria necessary to be considered for this award, including at least 20 years as a California REALTOR®, demonstration of outstanding service to the Association for at least 20 years, in particular serving as a C.A.R. Director-for-Life; and
- WHEREAS,** Your vision and many contributions have helped the Association and its members through many challenging years marked by a host of major housing issues and an ever-changing real estate environment; therefore, be it
- RESOLVED,** That the officers, directors and members of the California Association of REALTORS® do hereby convey to you, Sharon Bowler, 2007 recipient of the California Distinguished REALTOR® Award, our gratitude for your many years of outstanding service and leadership, and look forward to your continued contributions in the future.

ATTACHMENT D**FORECLOSURE/TROUBLED MORTGAGE TASK FORCE
Task Force Report - January 23, 2008****Foreclosure/Troubled Mortgage Task Force****Members:**

Greg Galli, Chair
Carylon Dopp
Cynthia Wood
Dolores Golden
Gordon Maddock
Jeanne Radsick
Jimmy Espinoza
Mike Donohoe
Sheri Partridge

Staff:

David Milton
Matt Roberts
Stella Ling
Stan Wieg

Task Force Mission:

The Task Force will explore how REALTORS® can work in conjunction with lenders and others to help provide additional incentives for lenders and their employees to work together with worthy borrowers to help borrowers avoid foreclosure. The Task Force will report its recommendations to the Board of Directors in January 2008.

Task Force Recommendations:

The Task Force recommends the creation and implementation of a Foreclosure Prevention Website that may be utilized to educate both REALTORS® and consumers on how they may work with lenders and other resources to avoid foreclosure, and protect themselves from fraud.

Rationale: The Task Force recognized that many REALTORS®, real estate agents, and consumers had never experienced a down market before. After researching the issue the Task Force found there was no shortage of information available but that it required searching multiple Websites, and many man hours to locate. The Task Force believed it would be helpful if the REALTORS® could utilize, and direct their clients to, a single Website for assistance with:

- Contacting Lenders
- Credit Counseling Services
- Government Programs
- Fraud Prevention
- Links for C.A.R. Short Sale and Foreclosure Classes
- Bilingual Assistance

The Task Force recommends that C.A.R. put forth an outline for local associations to utilize so they may hold foreclosure prevention symposiums in partnership with local HUD offices, local government and community leaders, and lenders.

Rationale: The Task Force heard from Fannie Mae and HUD representatives about foreclosure prevention symposiums in other states and the success they had. The Santa Ana HUD office has forwarded the Task Force "Factors to Consider When Coordinating a Foreclosure Prevention Event;" however the Task Force felt it was incomplete. The Greater Antelope Valley Association of REALTORS® (GAVAR) has already begun plans to put on a Foreclosure Prevention Symposium on February 9, using the existing outline supplied by HUD. By using the GAVAR event as a test case; the Task Force hopes to put together a more complete outline to be made available to other local associations.

The Task Force recommends that C.A.R. pursue with lenders ways to facilitate and expedite the short sale and REO markets.

Rationale: Because lenders' policies differ so greatly in how they process and accept short sales; REALTORS® have had great difficulty working on and completing these transactions.

The Task Force has recommended, and staff has begun, reaching out to lenders to create new ways to simplify the process by which homeowners may seek help with short sales.

The Task Force recommends that C.A.R. investigate on-line forum options for REALTORS® to post their own threads about their experiences with short sales, workouts, different lenders, and other pertinent information.

Rationale: Members of the Task Force were discovering that at business meetings and other agent gatherings, discussions among members centered around sharing stories and information regarding short sales, mortgage workouts, foreclosures, working with lenders, and other topics relevant to the current market. The Task Force felt since so many REALTORS® and agents had never been through a down market or one as unique as this, it would be beneficial for them to have a place to share their stories. This wouldn't be a Blog with an article written by staff and members responding; but, would be a forum with threads (starting topics) and responses done by the membership. Any member would be able to create their own thread.

The Task Force recommends that the Standard Forms Advisory Committee Forum on Forms investigate additional disclosures to the short sale addendum and contract to protect agents from liability.

Rationale: Members of the Task Force felt that because so much of a short sale transaction is dependent upon the lender and that each lender handles a short sale differently; REALTORS® may need greater protection from liability. The Task Force felt home buyers and home sellers may not grasp the complexity and difficulty involved in a short sale and will be quick to blame the REALTOR® for delays and other problems with the short sale transactions.